

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

February 22, 2008

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 07HD-194

Hawaii

Issuance of Revocable Permit to Kahua Ranch for Pasture Purposes; Hualua, North Kohala, Hawaii, Tax Map Key: 3rd/5-5-07:08 & 09.

APPLICANT:

Kahua Ranch Ltd., a Hawaii corporation whose business and mailing address is P.O. Box 837 Kamuela, Hawaii 96743-7142.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands situated at Hualua, North Kohala, Hawaii, identified by Tax Map Key: 3rd/5-5-07:08 & 09, as shown on the attached map labeled Exhibit A.

AREA:

134.86 acres, more or less.

ZONING:

State Land Use District: 3rd/5-5-07:08 agriculture
3rd/5-5-07:09 agriculture/conservation
County of Hawaii CZO: 20 acre agriculture (both)

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Unencumbered.

CHARACTER OF USE:

Pasture purposes.

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

To be determined.

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, Item No. 2 that states "existing authorized use of State land that continues with no interruption or change in use."

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>X</u>	NO <u> </u>
Registered business name confirmed:	YES <u>X</u>	NO <u> </u>
Applicant in good standing confirmed:	YES <u>X</u>	NO <u> </u>

REMARKS:

The subject parcel was previously encumbered as a portion of General Lease No. S-4391, to Hawaii Biogenics, Limited. Property was used primarily for pasture and feed lot purposes. Said lease was sold at public auction on January 17, 1974 and continued until the State retained possession through bankruptcy proceedings completed on 3/8/1989.

Subject parcel has been encumbered for the past 4 years by Kehena Ranch Holdings, LLC for pasture purposes under RP S-7341. Kehena Ranch Holdings gave notice they no longer would be utilizing the land and surrendered the permit on 12/31/07.

The proposed use is consistent with the surrounding area. There are cattle grazing on adjacent properties and a dairy operation is located in close proximity. The grazing of cattle on these parcels will aid in the control of noxious weeds and fire prevention.

A condition in the previous revocable permit excluded the portion of parcel 5-5-07:09 designated conservation lands. The previous Permittee constructed a perimeter fence leaving out the conservation land. Staff is recommending a similar condition for this permit.

The Applicant has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

The applicant has extensive experience in the cattle business with several hundred acres currently in pasture use within the Kohala district. Kahua Ranch has been in the cattle business since 1928 in the Kohala District. The principals of the company are well known throughout the district for their ranching expertise.

The applicant has worked closely with the Mauna Kea Soil and Water District and the USDA Natural Resource Conservation Service in developing and implementing progressive ranching practices and will continue the same practice on the State lands. Water is available from the adjacent parcel of land the applicant leases from Surety Hawaii Corporation.

The subject property does not have legal access and therefore is not suited for sale at public auction. The applicant has lease land from private landowners and is currently pasturing the adjacent property.

Various governmental agencies are being solicited for comments and these comments will be included in the final draft submittal.

Several Federal, State and County agencies were contacted for comment. The County Planning Department stated that parcel 9 is in the County of Hawaii Special Management Area (SMA) and that any activities not identified by the applicant may be subject to review by the Planning Department. Staff is recommending the portion of parcel 9 within the State Land Use conservation zone including the 20 foot roadway and everything seaward, be excluded from the permit.

RECOMMENDATION: That the Board:


1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the issuance of a revocable permit to Kahua Ranch, Ltd. covering the subject area for pasture purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the

following:

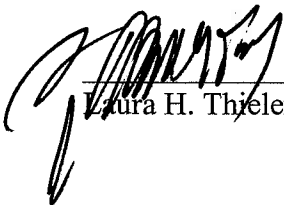
- a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
- b. Applicant shall apply as a cooperator with the Mauna Kea Soil and Water Conservation District and shall submit a conservation plan for approval by the Chairperson;
- c. The entire permitted area shall be fenced and maintained with stock-proof fencing;
- d. Review and approval by the Department of the Attorney General; and
- e. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



 Gordon C. Heit
Land Agent

APPROVED FOR SUBMITTAL:

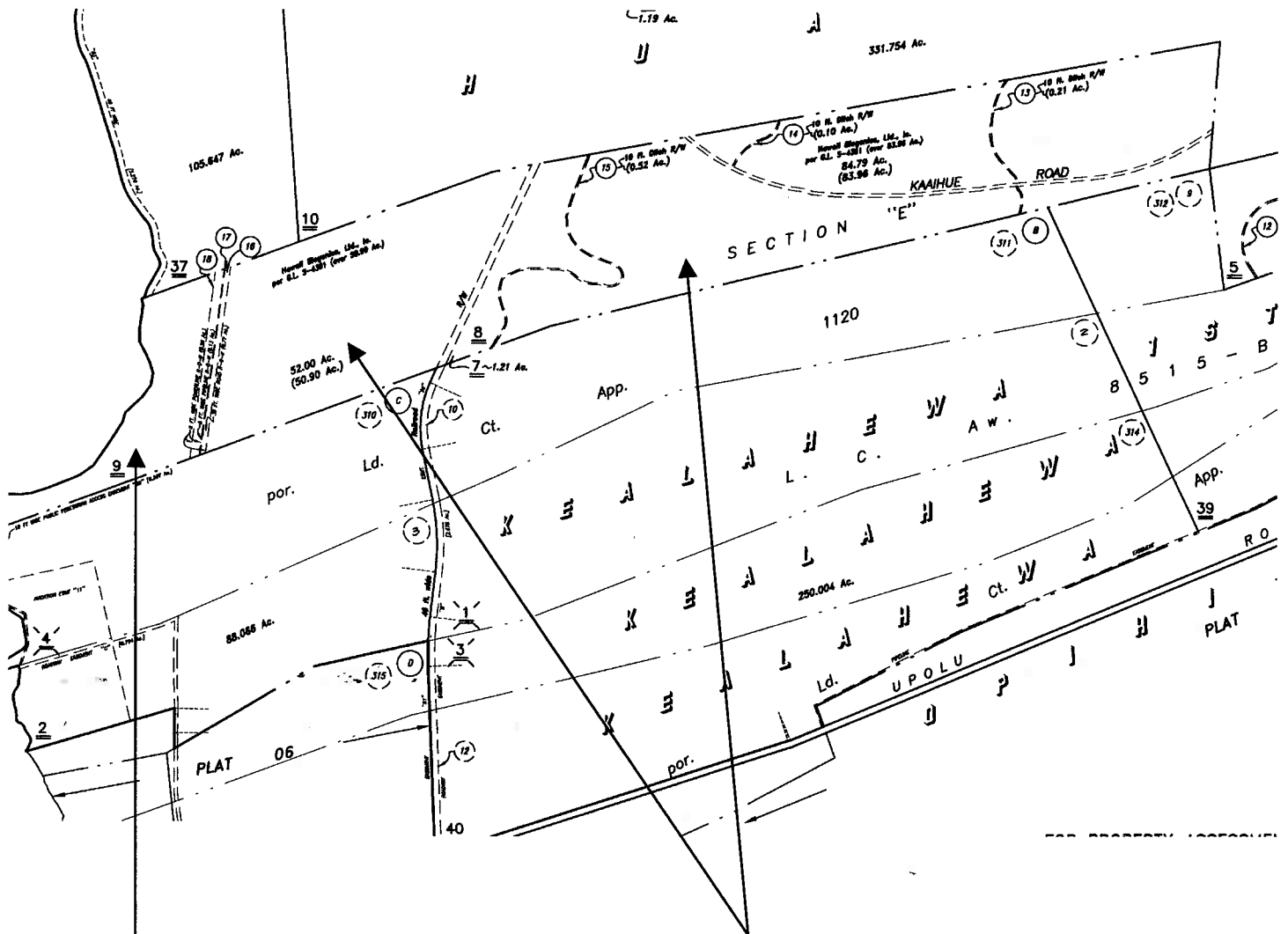


Laura H. Thielen, Chairperson



EXHIBIT A

TMK: 3RD/5-5-07:08 & 09



CONSERVATION AREA

SUBJECT PROPERTIES

Kahua Ranch RP



0 650 1,300 2,600 3,900 5,200 Feet

